

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF OKLAHOMA**

IN RE:)
)
CM HEAVY MACHINERY, LLC,) **Case No. 24-80617**
) **Chapter 11**
Debtor.)
)

**UNITED STATES TRUSTEE'S OBJECTION TO AMENDED
APPLICATION TO APPROVE EMPLOYMENT OF WHITTEN
BURRAGE AS SPECIAL COUNSEL TO ABOVE-CAPTIONED DEBTOR**

Ilene J. Lashinsky, United States Trustee for Region 20 (the “U.S. Trustee”) hereby files this objection to the Amended Application to Approve Employment of Whitten Burrage as Special Counsel to Above-Captioned Debtor, Doc. No. 70 (the “Employment Application”). In support of this objection, the U.S. Trustee states as follows:

PROCEDURAL AND FACTUAL BACKGROUND

1. Pursuant to 28 U.S.C. § 586, the U.S. Trustee has the responsibility to supervise the administration of cases filed pursuant to Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §§ 101, *et seq.* (the “Bankruptcy Code”).
2. On August 8, 2024, CM Heavy Machinery, LLC (the “Debtor”) filed a voluntary petition for relief pursuant to Chapter 11 of the Bankruptcy Code.
3. No creditors’ committee has been appointed.
4. Through the Employment Application filed on January 3, 2025, the Debtor seeks to retain Reggie N. Whitten, Michael Burrage, Hannah Whitten and Blake Sonne of Whitten Burrage (“Whitten Burrage”) as special counsel to pursue bad faith and breach of contract actions against the Debtor’s insurer.

OBJECTION TO REQUESTED RELIEF

5. The U.S. Trustee objects to the employment of Whitten Burrage pursuant to 11 U.S.C. § 327 and FED. R. BANKR. P. 2014.

6. First, the Attorney-Client Contract which is attached to the Application to Employ as Doc 70-1 inappropriately provides, or fails to provide, for the following:

- The Attorney-Client Contract fails to provide that any award of fees and/or expenses should be expressly subject to a reasonableness review by this Court.
- The Attorney-Client Contract grants an attorney lien and/or equitable assignment of any recovery.
- The Attorney-Client Contract provides for arbitration for any and all claims between the Debtor and Whitten Burrage.

7. Second, the Debtor has not adequately explained why a 50% contingency fee is appropriate under the circumstances of the proposed engagement.

8. Third, the Debtor has not satisfactorily disclosed the significance of the differing contingency amounts, 10% or 50%, depending on whether the recovery is over or under \$1,406,971.00.

WHEREFORE, for the reasons set forth herein, the U.S. Trustee objects to the Employment Application.

ILENE J. LASHINSKY
UNITED STATES TRUSTEE

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